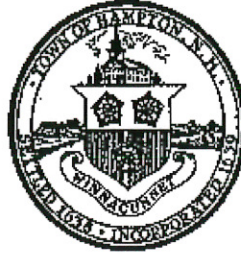


**TOWN OF HAMPTON, NEW HAMPSHIRE, ASSESSOR'S OFFICE
100 WINNACUNNET RD, HAMPTON, NH 03842**



September 23, 2014

From: Edward Tinker, CNHA,
Chief Assessor

Re: NextEra Energy Settlement Agreement

As a result of recent settlement negotiations with NextEra Energy and its partners relative to their pending 2011, 2012 & 2013 appeals before the Board of Tax and Land Appeals I wanted to breakdown the settlement proposal that has now been negotiated and accepted by the Hampton Board of Selectmen; in which a copy of that settlement agreement is posted with this explanation.

This settlement agreement involves several tax years beginning with the 2011 tax year and continues through the 2020 tax year; as such the following is a breakdown of that agreement.

2011, 2012 & 2013 Tax Years:

For the 2011, 2012 and 2013 tax years the Town of Hampton has agreed to refund NextEra Energy and its partners a total of \$620,000 with NextEra Energy and its partners agreeing to waive interest as part of this three year settlement. In these appeals, NextEra Energy and its partners had been seeking abatements that could have resulted in potential refunds of \$1,500,000 plus interest.

2014 Tax Year:

For the 2014 tax year NextEra Energy and its partners have agreed to make a second half tax payment in the amount of \$250,000 as part of this agreement, as the first half tax bill has already been paid in the amount of \$247,000; this essentially guarantees the Town of Hampton will receive the entire tax payment due for 2014 and therefore no refund is required for the 2014 tax year.

2015 through the 2020 Tax Years:

As part of this agreement the Town of Hampton has agreed to enter into a PILOT agreement (Payment in Lieu of Taxes) which will require NextEra Energy and its partners to make bi-annual payments totaling \$240,000 per tax year.

Settlement and PILOT Agreement

This Settlement Agreement ("Agreement") is made effective this 22nd day of September, 2014, by and between the Town of Hampton, New Hampshire ("Town"); and NextEra Energy Seabrook, LLC, ("NextEra"), Massachusetts Municipal Wholesale Electric Co. ("MMWEC"), Hudson Light & Power Department ("Hudson"), Taunton Municipal Lighting Plant ("Taunton"), (collectively, "Owners"); (Town and Owners, collectively, "Parties").

WHEREAS, NextEra, MMWEC, Hudson, and Taunton are the owners of the Seabrook Nuclear Generating Station and related assets ("Seabrook Facility") located partially in the Town of Hampton, New Hampshire; and NextEra is the owner of Tax ID Parcels 999-1 and 999-1-1; MMWEC is the owner of Tax ID Parcels 999-5 and 999-5-1; Hudson is the owner of Tax ID Parcels 999-12 and 999-12-1; and Taunton is the owner of Tax ID Parcels 999-11 and 999-11-1.

WHEREAS, disputes exist between the Parties both as to the fair market value of the property within the Town and the appropriate application of pollution control exemptions to the assessments of the property;

WHEREAS, the Parties desire to avoid the expense of litigation of these issues, both as to the pending years and going forward;

WHEREAS, Owners are willing to make a voluntary payment in lieu of taxes (PILOT) to the Town for the properties of Owners within the Town;

WHEREAS, it is intended that this Agreement is a comprehensive and integrated settlement of existing and potential litigation before the New Hampshire Board of Tax and Land Appeals regarding assessments under New Hampshire law for tax years 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020, and that the Town will forego any assessment of ad valorem property taxes of Seabrook Facility in addition to the payments set forth in this Agreement;

WHEREAS, the Parties' agreement for tax years 2011 through 2020 is not intended to affect any direct payments for services provided by the Town to the Seabrook Facility, which would otherwise not be provided to property owners from tax receipts; including but not limited to, water, sewer, and waste disposal, or other obligations not in the nature of property taxes that Owners might be obligated to pay to the Town;

WHEREAS the Owners and the Town have reached an Agreement for payments for the Seabrook Facility located in the Town of Hampton, New Hampshire, for tax years 2011 through 2020, and in consideration for such Agreement, the Parties release each other from all claims related to such disputes, subject to the terms and conditions stated herein; and

NOW THEREFORE, for stipulated consideration and in consideration of the mutual promises and covenants contained in this Agreement, the Parties agree as follows:

1. In order to settle the pending cases before the New Hampshire Board of Land and Tax Appeals for the 2011, 2012, and 2013 tax years, the Town agrees to pay a tax refund of \$620,000.00.

The Owners agree to accept this amount and waive any interest on the refund due and owing as a result of this settlement. The refunds due and owing as a result of this Agreement shall be paid by the Town to the Owners in a total cash payment in the amount of \$620,000.00 on or before December 15, 2014. The cash payment shall be made to each of the Owners based on the following ownership allocation:

Hudson Light & Power Department.....	.07737%
Taunton Municipal Lighting Plant.....	.10034%
Massachusetts Municipal Wholesale Electric Co.....	11.5934%
NextEra Energy Seabrook, LLC	88.22889%

The individual refund payment amounts are therefore as follows:

Hudson Light & Power Department.....	\$480.00
Taunton Municipal Lighting Plant.....	\$622.00
Massachusetts Municipal Wholesale Electric Co.....	\$71,879.00
NextEra Energy Seabrook, LLC	\$547,019.00

2. For purposes of the Town of Hampton property taxation of the parcels of the Seabrook Facility located in the Town for the

2014 tax year, the parties agree that in addition to the payment already made on the first half bill, a second tax payment will be paid on or before December 1, 2014 of \$250,000.00 to be allocated as follows:

Hudson Light & Power Department.....	\$193.00
Taunton Municipal Lighting Plant.....	\$251.00
Massachusetts Municipal Wholesale Electric Co.....	\$28,984.00
NextEra Energy Seabrook, LLC.....	\$220,572.00

The Town will submit separate tax bills directly to each individual Owner in these amounts by November 1, 2014, in order for payments to be made by December 1st.

3. In lieu of local property tax for tax years 2015, 2016, 2017, 2018, 2019, and 2020, inclusive of all real and personal property ownership interests of the Owners in the Seabrook Facility located in the Town of Hampton, the Owners shall pay in their proportionate shares a PILOT each year in the sum of \$240,000.00 for the Seabrook Facility for Tax ID Parcels 999-1, 999-1-1, 999-5, 999-5-1, 999-12, 999-12-1, 999-11, and 999-11-1. Owners shall pay one-half of the PILOT on or before June 30th and one-half on or before December 1st, billed in accordance with the allocation set forth below and billed directly to each individual Owner by the Town.

The allocation of the \$240,000.00 annual PILOT payment amount (made in two semi-annual payments) is as follows:

Hudson Light & Power Department.....	\$186.00
Taunton Municipal Lighting Plant.....	\$241.00

Massachusetts Municipal Wholesale Electric Co..... \$27,824.00
NextEra Energy Seabrook, LLC..... \$211,749.00

4. Any PILOT amounts not paid in a timely manner may be collected from the Owners under the provisions of RSA 80.

5. Nothing in this Agreement shall in any way affect the rights of the Town to assess the Seabrook Facility for any year subsequent to the 2020 property tax year and nothing in this Agreement shall in any way affect the rights of the Owners, individually or collectively, or of their respective successors and assigns, to contest, seek abatement of or appeal any property tax assessed against the Owners, for any year subsequent to the 2020 property tax year.

6. Should the terms of this Agreement be legally challenged, the Town and the Owners shall have a joint obligation to defend such terms. Should any material provisions of this Agreement be declared legally ineffective by a court of competent jurisdiction, then in such event, the Town and the Owners each reserve all their respective rights under law and equity.

7. This Agreement shall be binding upon the successors and assigns of the Owners and shall run with the land. In the event any of the Owners sell, transfer, or assign all or a portion of the Seabrook Facility, the obligation to make future payments in lieu of taxes shall follow the ownership of the Seabrook

Facility in proportion to the percentage of the property transferred. The Town agrees that, upon any such good faith transfer of ownership of all or a portion of the Seabrook Facility, the seller's obligation to make payment in lieu of taxes due after the date of transfer with respect to the portion transferred shall cease.

8. No amendment, waiver of compliance with any provision or condition of this Agreement, or consent pursuant to this Agreement, will be effective unless evidenced in an instrument in writing signed by the Parties. This Agreement is a full, final, and complete expression of the Owners and the Town's agreement respecting liability for local property tax purposes of the Seabrook Facility for the 2011 through 2020 tax years in the manner stated herein, and supersedes any and all other agreements, negotiations, arrangements and understandings, verbal or written relating to the matters addressed in this Agreement.

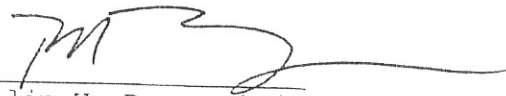
9. This Agreement shall be interpreted and enforced in accordance with the laws of the State of New Hampshire.

IN WITNESS WHEREOF, the Town of Hampton and NextEra Energy Seabrook, LLC, Massachusetts Municipal Wholesale Electric Co., Hudson Light & Power Department, Taunton Municipal Lighting Plant ("Taunton"), have executed this Agreement by their duly authorized representatives as of the first date appearing above.

Town of Hampton, New Hampshire

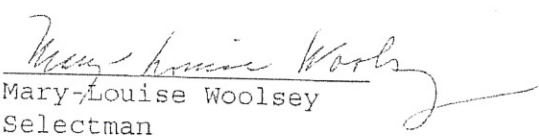
Dated: September 22, 2014

By:


Philip W. Bean, Chair
Selectman

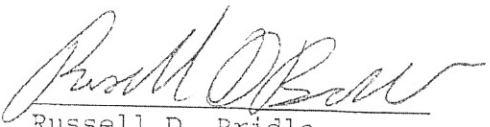
Dated: September 22, 2014

By:


Mary-Louise Woolsey
Selectman


Dated: September 22, 2014

By:


Russell D. Bridle
Selectman

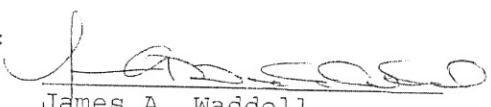
Dated: September 22, 2014

By:


Richard P. Griffin
Selectman

Dated: September 26, 2014

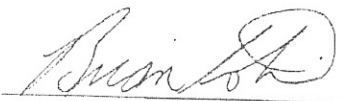
By:


James A. Waddell
Selectman

NextEra Energy Seabrook, LLC

Dated: September 18, 2014

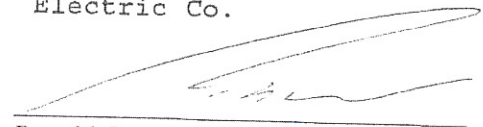
By:



Massachusetts Municipal Wholesale
Electric Co.

Dated: September 18, 2014

By:


Ronald C. DeCurzio
Chief Executive Officer

Hudson Light & Power Department

Dated September 18, 2014

By:

Yakov J. Levin
YAKOV J. LEVIN
GENERAL MANAGER

Taunton Municipal Lighting Plant

Dated: September __, 2014

By: _____

Hudson Light & Power Department

Dated September __, 2014

By: _____

Taunton Municipal Lighting Plant

Dated: September 18, 2014

By:

Michael J. Arny